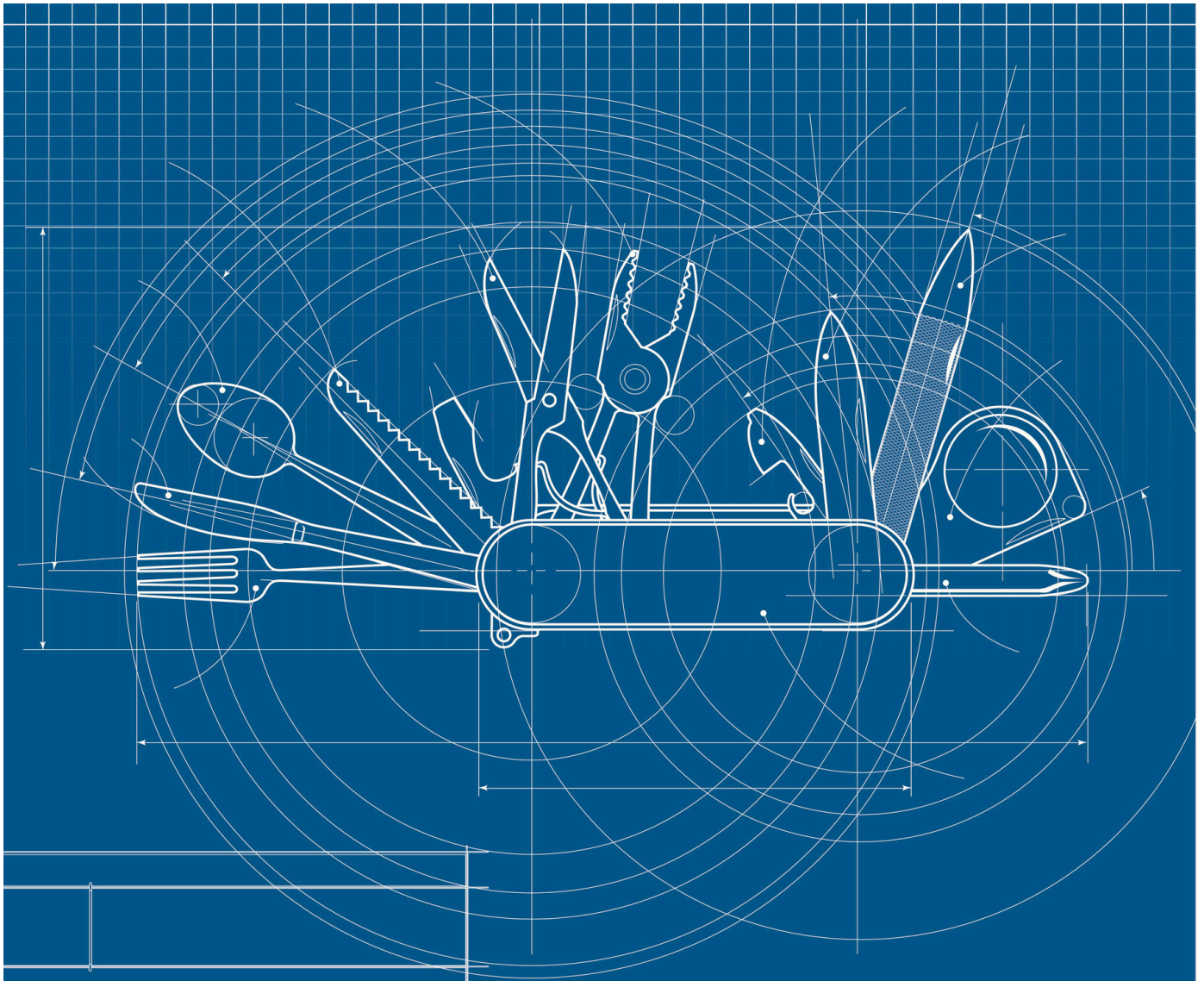


# ‘Founder’ banks join EDM Council program to benchmark data management

The Data Excellence Program—the first to recognize data management at an enterprise level, rather than being an accreditation program for individuals—will help firms solidify data management as a program rather than a series of projects. By [Max Bowie](#)



**waterstechnology**

A group of financial institutions, service providers and consulting firms have signed up to participate in a new data management program run by the EDM Council that will allow them to rate the quality of their data management practices, benchmark themselves against their peers, and create roadmaps to improve their data management over time.

The EDM Council's new Data Excellence Program has just completed its first phase—dubbed its Founders phase—with a total of 16 participants, including the Depository Trust and Clearing Corp. (DTCC), Freddie Mac, KPMG, the London Stock Exchange Group (LSEG), Northern Trust, Northwest Bank, Raymond James, Standard Bank, Sumitomo Mitsui Banking Corp., and T. Rowe Price, among others, along with specialist consulting firms as certified partners, including DataWise, Element22, Ortech, and PWC.

Participation in the program is free of charge for EDM Council members, though they will need to pay the certified partners for their involvement, which involves them assessing each firm annually based on EDM Council's Data Management Capability Model (DCAM) assessment framework for establishing a standardized and robust data management organization and procedures, and working with the participants to create a roadmap to implement changes and updates.

Officials say the program will address three core challenges to establishing sound data management practices: First, it's hard to get support and funding for data management programs because data management may have never been properly defined within firms; second, it's hard to measure the performance and status of data management programs for the same reason; and finally, it's hard to get recognition for the successes that are achieved.

"There's a gap in the market for a formal acknowledgement of data management at an organizational level," says Kyle Morton, principal of data advisory firm Data Excellence Group and a senior advisor to the EDM Council. "There are plenty of certification programs at the

individual level ... but nothing that accurately defines EDM at an organizational level. The data world toils in anonymity."

It is also intended to help change how firms think about data management—from thinking about it in terms of "projects" and moving toward recognizing it as an ongoing "program."

"Data management is not a project, but a program. Projects end; programs are ongoing. They are part of an organization's DNA," says John Bottega, president of the EDM Council. "Every firm wants to be seen as a data-driven organization, leveraging the latest technologies, but they don't all make that commitment to data excellence. As advocates, we're saying don't forget this as a foundation of your programs. All new technologies are only as effective as the data that feeds them."

To demonstrate how effective a firm's data management program is, the EDM Council will award badges based on its maturity and comprehensiveness, starting at gold level, then platinum, and diamond for the highest achievers. Once the criteria for each level are finalized, firms would engage one of the certified partners to conduct an initial assessment, which will include what criteria are met, the depth of experience within an organization, and how widely it shares its data knowledge, and the blueprint it draws up with the certified partner to advance its data management practices.

"Quite a number of midsize firms don't have proper data management programs in place—or what they have doesn't provide all the capabilities that a firm needs," says Predrag Dizdarevic, partner at Element22, a data management consultancy that has worked as a DCAM implementation partner with the EDM Council for years. "DCAM is the lighthouse that firms can aim for. When we do an assessment, the roadmap we develop with the firm is based on their business goals."

Element22 also offers a cloud-based assessment and benchmarking platform, dubbed Pellustro, to perform DCAM assessments in complex environments, and is one of the first batch of certified partners to take part in the Data Excellence Program.

While the new "certified" status may

not significantly change the nature or content of the assessments and planning work that Element22 does with financial firms, Dizdarevic believes it will help expand the consultancy's business by exposing it to potential clients outside the capital markets. While the EDM Council began its work focusing on the financial sector, it has expanded in recent years to encompass data challenges facing other industries.

"The EDM Council has seen a significant influx of members from outside the financial services space. Our brand is well known within financial services, but not beyond it," Dizdarevic says. "So, this will elevate the visibility and recognition of Element22. That's the big benefit for us of being part of the program."



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Another benefit is that firms get an ongoing partner invested in their success and ensuring that they meet their goals, rather than a one-off consulting project, says Melanie Mecca, founder and CEO of data management consultancy DataWise, who was previously responsible for publishing the first Data Management Maturity Model (DMM) framework while serving as director of data management products and services at standards organization the CMMI Institute.

"I have more experience creating data management program roadmaps than anyone else on the planet. I give firms details, tactical input, and a roadmap of projects based on their specific situation to accelerate their data management program," Mecca says. "The badge program requires a check-in, so I recommend that firms take the recommendations and their assessment, then after six months, monitor how much progress they've made."

### First steps

“We concluded our Founders’ phase at the end of last year with more than a dozen member firms and six certified partners. That gives us great encouragement that we’re in our target zone,” Morton says.

One of the members of that early adopter phase is South Africa-based Standard Bank, which joined the EDMC in 2020 in a bid to improve its data management practices, improve data literacy throughout the bank, and benchmark its data management against the rest of the industry, says Sibusiso Ngubeni, executive head of data and analytics at the bank.

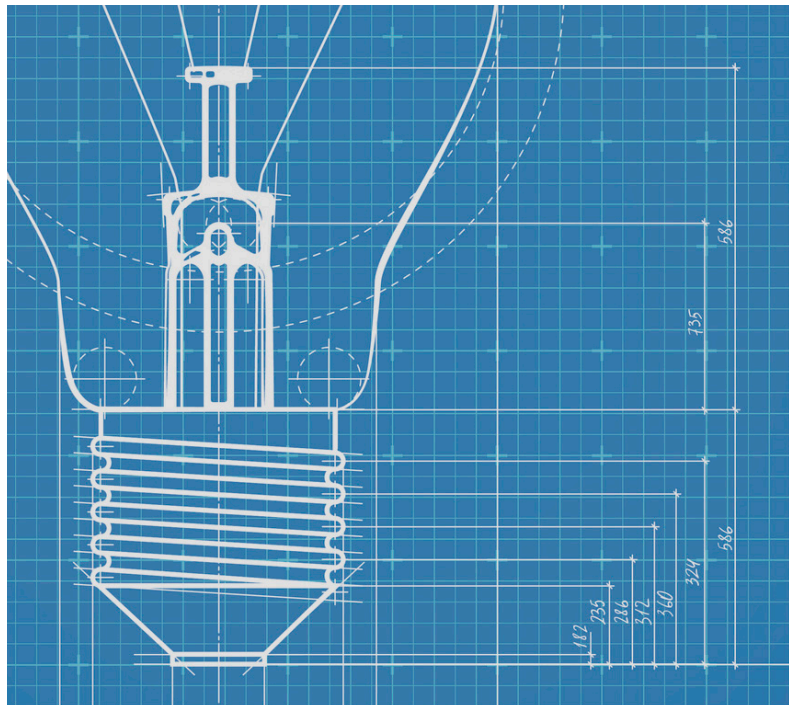
Last year, the bank decided to adopt DCAM, and as part of that process, several of Ngubeni’s team members achieved DCAM accreditation. “In doing that assessment and making sure we promote training across the continent, we were unknowingly ticking some of the boxes of the EDMC Data Excellence program,” he says.

But the program is about more than just recognizing the efforts and expertise of data management staff. One aspect of the scoring system is that it recognizes how many people within a firm are trained and certified on data management principles.

DataWise’s Mecca says that spreading data knowledge and training broadly and widely across an organization is important. “Data management may be centralized, but data governance is federated through thousands of people throughout an organization,” she says.

When establishing a training program for an organization, Mecca begins with a presentation that’s open to all staff, before hosting training classes of up to 30 people at a time. Before starting, she speaks to as many people who touch the data as possible—from the chief data officer (CDO) to project heads, program managers both on the business side and the IT side, and heads of functions and business lines, such as risk management, credit, and customer accounts—to understand from all angles what a firm wants to do with its data and what are the obstacles to it doing so.

“I get everybody thinking like a CDO,” Mecca says.



For its part, Standard Bank has conducted most of its data training via internal change management town hall meetings and via committees. This process of involving as many staff as possible seems to have proved successful in promoting an understanding of data and enlisting support from across the business—not just focusing on data management professionals.

means that its data is managed in a way that allows it to operate better as a business and respond faster to client needs. The bottom line is, good data helps firms make more money, faster, while bad data contributes to poor decisions, lost clients and lost revenues.

“It’s about making the right decisions to be able to respond and get to market quickly,” Ngubeni says. “For example, being able to offer clients the most favorable loan rates. If your data is accessible and timely, you can respond quickly, offer a loan at a favorable rate, and bank that client. Then, that opens doors to other business with them. One reason we haven’t been getting deals in the past is not having that data at our fingertips.”

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### Benchmarks and benefits

Standard Bank has just published its results to the EDM Council, and has asked for benchmark scores for firms around the world, so it can compare itself against other firms. Participating firms will report their results anonymously, which will result in the EDM Council creating a benchmark repository of scores from firms and industries around the world for others to compare themselves against.

That ability not only helps data management professionals measure and gain



recognition for their efforts, but should help secure funding for future efforts, as well as demonstrate their achievements more widely—for example, showing off their credentials may help to attract potential employees. And demonstrating that a firm has shown an understanding of the value of their work may help firms lure data management expertise from others who don't demonstrate the same level of commitment.

"It's always a fight. It's always a fight to secure funding, and always a fight to secure that as an ongoing program, not just a project," Morton says. "If a person sees an organization where they don't have to fight to get a commitment to data management, I think that's a door-opener."

In a data- and technology-driven industry, the people who govern and manage that infrastructure are just as—or arguably, more—important than the technology itself, so attracting the best staff doesn't just make sure everything works properly; it tells customers that the bank is well-qualified to safeguard their assets.

"If this helps us build a little cache in the industry and bring in better and brighter talent, that's an important achievement for us and our customers," says Todd Henley, chief data governance and privacy officer at Warren, Pennsylvania-based Northwest Bank.

Northwest's path to participating in the Data Excellence Program was different from Standard Bank's but illustrates another important reason for implementing good data management practices. Henley, an experienced data management executive in other industry sectors outside finance, was hired in 2021 to establish a formal data management program at the bank on the recommendation of regulators, following a Matter Requiring Board Attention (MRBA) finding.

The program that Henley built established a "well-founded data governance framework" that—though not built with the EDM Council's DCAM expressly in mind—aligns closely with the DCAM framework, which he says is a good way to build goodwill and establish standards for dealing with any regulatory issues that arise. In fact, following the bank's

most recent regulatory examination last month, Henley says the examiners told him that not only was the bank's data program punching above its weight and light years ahead of far larger institutions—Northwest has around 2,500 staff in total—but was the best data governance program they had ever seen.

"If not for what we did in our DCAM assessment, I'm not sure we could have communicated so well to the examiners," he says.

Once Northwest had its house in order, Henley realized that the progress it had made could be a valuable differentiator in winning business and customer confidence.

"We wanted to be able to present ourselves as thought leaders in this particular area as a way to improve Northwest's brand," he says. "We are the custodians of our customers' financial resources—and part of that is about data: How can we provide the best service possible to customers? How are we managing risks associated with the data that we're required to maintain as an organization?"

In an environment of ongoing data breaches, bank failures, and uncertainty over artificial intelligence and generative AI, the ability to demonstrate that the bank's data—and that of its clients—is well-governed and well-guarded is an asset in itself.

### Creating converts of the business

In addition, given the industry's increased focus on artificial intelligence and generative AI over the past year, the Data Excellence Program could prove particularly timely because finance-specific AI models need to be trained on finance-specific datasets that must be high-quality, accurate, and well-managed.

"All of a sudden, everyone is talking about ChatGPT and genAI, and whether they can use it in-house. But then they find out there are hallucinations in the model—probably because you're feeding it junk. Like everything else, if you put junk in, you get junk out," Ngubeni says.

And with AI facing increased regulatory scrutiny, the ability to demonstrate strong data management processes should help firms address any unanticipated regulatory requirements and



demonstrate to regulators that they have appropriate controls over their data.

"With additional legislation on the horizon about AI governance, we envision that if a firm is talking to an external auditor about AI and can say they've achieved one of these levels, it will be a huge benefit," Bottega says.

Element22's Dizdarevic also notes the potential for AI to drive greater focus



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on data management because it creates more data challenges. "AI is elevating the data requirements within firms. The challenge now is for data teams to get adequate budgets to elevate it," he says. Being able to justify budget for specific requirements based on the measurable objectives of the Data Excellence Program is one of the benefits touted by the EDM Council of participation in the program.

But while AI may yet prove to be a driver of adoption, one of the biggest changes that firms have experienced from participating in the Data Excellence Program is increased recognition—as well as more active involvement—of the business side in promoting the importance of data management.

"We've been able to convert business stakeholders into buying into this and wanting to be involved in drafting our roadmap. Until now, it's always been a push, but now, people are contributing to it," Ngubeni says.

And as more firms follow the lead of those like Standard Bank and Northwest Bank, perhaps the constant fighting for resources and recognition that prompted Morton and the EDMC to begin the Data Excellence Program will finally become less combative and more collaborative. The result can only prove beneficial to all sides. **wt**